



**Actuarial & Employer Services Branch**  
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December 13, 2005

#### **AGENDA ITEM 4**

#### **TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

- I. SUBJECT:** EFI's Parallel Valuation and Certification of the Contracting Public Agency Plans as of June 30, 2003
- II. PROGRAM:** Actuarial & Employer Services Division
- III. RECOMMENDATION:**

It is recommended that the Committee accept and recommend to the full Board the acceptance of EFI's report on the June 30, 2003 parallel valuation and certification of the actuarial valuation of all contracting public agency plans in completion of Task 1 of Contract 2003-3236. A copy of the report is included in Attachment 1.

#### **IV. ANALYSIS:**

EFI recently completed their independent parallel valuation of the contracting public agencies. EFI has certified our results as "accurate" and "computed in accordance with generally accepted actuarial principles." With only a few exceptions, the costs independently computed by EFI were within 5% of the costs calculated by CalPERS actuaries.

For the few plans where the difference in costs was greater than 5%, EFI investigated and concluded that the differences in costs are a result of sensitivities rather than material difference. Therefore, EFI did not hesitate to confirm the results of these valuations.

As part of their audit, EFI also reviewed the language used in the actuarial valuation report and noted that some of the descriptions of the benefit provisions could be improved. Staff took note of this and intends to make the changes in the June 30, 2005 valuation reports.

EFI concluded their audit by stating that "the valuations of the contracting public agency plans were prepared by the CalPERS actuaries in a careful, thorough and professional manner."

**V. STRATEGIC PLAN:**

This item is not a specific product of the Strategic or Annual Plans but is part of the regular and ongoing workload of the Actuarial & Employer Services Division.

**VI. RESULTS/COSTS:**

There are no costs associated with this item other than the payment of EFI's fee under contract 2003-3236.



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Alan Milligan, Managing Actuary  
Actuarial & Employer Services Branch



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Ron Seeling, Chief Actuary  
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